

MAR 16 2011

SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY TO MEASURE THE EFFECTIVENESS OF THE POST RETIREMENT ALLOWANCE IN FULFILLING ITS PURPOSE TO HELP OFFSET THE RISING COST OF LIVING AND KEEP UP WITH INFLATION.

1 WHEREAS, Chapter 88-90, Hawaii Revised Statutes, creates a
2 Post Retirement Allowance in the Employees' Retirement System;
3 and

4
5 WHEREAS, the pension benefit of state and county employees
6 is calculated via a format that uses various factors, including
7 time of service and average annual salary, to determine the
8 amount of final compensation; and

9
10 WHEREAS, the Post Retirement Allowance benefit is a fixed,
11 uncompounded amount of compensation based upon a formula using
12 two and one-half percent of a retiree's pension multiplied by a
13 retiree's years of service; and

14
15 WHEREAS, inflation is an inescapable economic reality that
16 causes all citizens to inevitably pay more over time for goods
17 and services; and

18
19 WHEREAS, the Post Retirement Allowance benefit is meant to
20 assist retirees on fixed or semi-fixed incomes to mitigate the
21 effects of inflation; and

22
23 WHEREAS, many believe that the current fixed percentage
24 calculation of the Post Retirement Allowance does not allow
25 pension recipients to keep up with the cost of living; now,
26 therefore,



1 BE IT RESOLVED by the Senate of the Twenty-sixth
2 Legislature of the State of Hawaii, Regular Session of 2011, the
3 House of Representatives concurring, that the Legislative
4 Reference Bureau is requested to conduct a study on the current
5 Post Retirement Allowance to determine whether it is fulfilling
6 its purpose of maintaining a standard of living for retired
7 members and beneficiaries; and

8
9 BE IT FURTHER RESOLVED that the Legislative Reference
10 Bureau report its findings and recommendations including any
11 proposed legislation, to the Legislature no later than 20 days
12 prior to the convening of the Regular Session of 2012; and

13
14 BE IT FURTHER RESOLVED that certified copies of this
15 Concurrent Resolution be transmitted to the Director of the
16 Legislative Reference Bureau, the Director of the Employees'
17 Retirement System, the President of the Hawaii State Teachers
18 Association - Retired, and the Hawaii Government Employees
19 Association Retirees Unit.

20
21
22

OFFERED BY: *Rosely H Baker*

